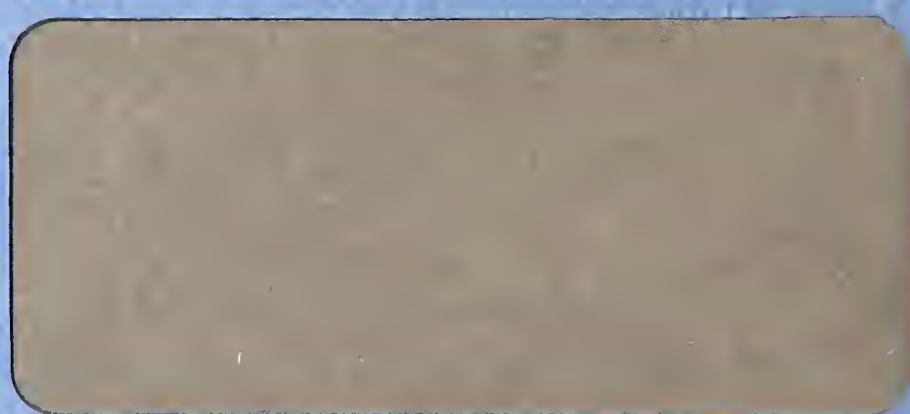


PRINCIPLES OF
ASSESSMENT MAPPING

LESSON I

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PRINCIPLES OF
ASSESSMENT MAPPING

LESSON I

THE ASSESSMENT OPERATION

Ministry of Revenue
Assessment Standards Branch
1979/80

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LESSON I

Introduction


Good records are essential to an assessment programme. One of the most important sets of records is the Map System, which performs such functions as:

- (a) Establishing the location of every parcel of land within the Province of Ontario;
- (b) Ensuring that no land is omitted from the assessment records;
- (c) Showing the dimensions and/or acreage of each parcel;
- (d) Showing the access and services associated with every parcel;
- (e) Indicating physical features which may influence value;
- (f) Forming the basis of the assessment numbering system;
- (g) Delineating political divisions;
- (h) Facilitating sales recording and analysis;
- (i) Indicating zoning and planning data;
- (j) Facilitating the writing of legal descriptions;
- (k) Forming court exhibits in defence of assessments.

Since the mapping programme forms such an important part of the Assessment Services operation, it follows that the quality of work performed by the mapping staff can have a significant effect on the efficiency and accuracy of the assessment programme. The scope of the work extends far beyond the technical aspects of drafting, and encompasses elements of Land Surveying, Aerial Photography, Real Property Law and Assessment Law.

Obviously, for the draftsman* to be able to prepare maps specifically for the assessor, he must understand the assessor's needs and problems. It is, therefore, essential for the draftsman to understand the assessment operation in broad terms.

* For purposes of this course material the word Draftsman refers to both draftsman/woman.



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This paper is intended to be a kind of 'guided tour' of the assessment operation, and to fit the draftsman's work into context. It is divided into three parts:

- (1) The Assessment Process;
- (2) The Assessment Division;
- (3) The Draftsman's Responsibility.

I. THE ASSESSMENT PROCESS

An assessor is a specialized type of real estate appraiser. He plays a key role in the administration of the real property tax, which is the primary source of revenue for the municipal governments in Ontario - cities, towns, villages, townships and counties.

Although the assessor in Ontario is an employee of the Provincial Government, the Province itself does not collect real property taxes. The assessor determines the value of taxable real property and so provides a fair and uniform basis for the collection of taxes by the various local governments and school boards.

Real Property Taxation

Before discussing real property taxation it is important first to define the following terms: Land, Real Property, Real Estate and Personal Property.

Land in the legal sense not only includes the ground or the soil but also the minerals and oils and everything else that attaches to the undersurface of the earth; trees and crops growing on the land; land covered with water; buildings, fences, machinery and fixtures on the land; and also sufficient air space above the land for its reasonable use.

Real Property refers not only to land and buildings which are the tangible attributes of real property but also to the leasehold interest and the rights of use of the real estate which are the intangible attributes.

Real Estate simply refers to the land and buildings and other improvements attached to the land such as soil, trees, herbage, structures etc.

Personal Property also referred to as chattels are moveable items and are not a permanent part of the real estate. Sometimes it may be difficult to distinguish between personal property and real estate and in such cases one has to consider the manner in which the chattel was annexed to the real estate, the intention of the person making the annexation and the degree of permanency. Cars, clothing, furniture, money, stocks and bonds, jewelry etc. are personal property and are not subject to property tax in Ontario.

The municipalities are empowered by provincial legislation to tax real property. There are theoretically many ways in which real property could be taxed - for example, a tax on each acre of land, each window or fireplace - and a number of different methods have been tried in other countries at one time or another. The fairest method, and one that is universal in North America, in theory at least, is a tax on the value of real property. Anything with value has a probable selling price - it is this 'Market Value' that the assessor must determine. Once the total value of all taxable property within an area has been established, a sufficient percentage of that value can be levied against each property, and thus yield the desired municipal revenue. This is how the real property tax works in Ontario and it is achieved by the mill rate. A 'mill' is simply one thousandth of a dollar, or one tenth of a cent, (from the Latin 'centum' and 'millesimum' - hundredth and thousandth). The annual budget is divided by the total assessment to produce a mill rate (ratio) which when applied to all individual assessments, will produce the necessary revenue. This can be illustrated quite simply:

Suppose the total assessment in a municipality is \$10,000,000 and the estimated expenditures for the coming year are \$200,000; it is obvious that if we charge \$20 tax for each \$1,000 of assessment, this will produce the needed revenue. This is the same as saying that for every \$1.00 of assessment we will levy a tax of two cents. By using mills, and decimals of mills, we are able to make fine adjustments, and produce exactly the right amount of revenue from the total assessment. When each individual assessment is multiplied by the mill rate, the individual taxes payable by each property can be calculated. In the example given, we would have a tax rate of two cents on the dollar, which is twenty mills. Therefore, a residential property assessed at \$40,000 would pay taxes of \$800. This mill rate is determined by the municipal council, after the total assessment has been calculated. This means that the assessor has absolutely no control over the level of taxes in any municipality.

Special Purpose Properties

There are some types of real property that would be impossible to value in the usual manner - telephone lines, railway lines and pipelines being the primary examples. The portion lying within each assessor's area of responsibility would be worth almost nothing in isolation, yet it is an integral part of a multi-million dollar corporation!

It would obviously be impossible for each assessor to attempt to place a value on the Bell Telephone Company or the Canadian National Railways, and even if he could, it would still be impossible to determine the market value of the portion within his neighbourhood which would never be for sale anyway.

Consequently, special provisions have been included in the Assessment Act setting out specific rules for the assessment of each of these special purposes properties, thus ensuring that they are dealt with uniformly across the province.

Exempt Properties

Certain properties are exempt from taxation; land owned by the Crown, that is, the Federal and Provincial Governments, cannot be taxed by the lower level municipal governments. However, in the case of many Crown properties, grants are made by the Federal and Provincial authorities to the municipalities, equivalent to the taxes that would have been payable had the property not been exempt.

In addition, properties that are considered to perform a valuable service to their communities, such as churches, cemeteries, hospitals and schools are exempt from taxation. A complete list of exempt properties can be found in Section 3 of the Assessment Act.

These properties are valued by the assessors and included in the total assets of the community, but are not taxed.

Business Assessment

Besides the valuation of real property, the assessors have an additional responsibility with regard to commercial properties. This is the determination of the Business Assessment, which is an additional percentage of the assessment over and above the regular assessment, depending on the type of business.

This extra percentage ranges from 25% for a car park, to 140% for a distiller. The various classifications of businesses are set out in Section 7 of the Assessment Act, and the assessor must determine the correct classification for each commercial property.

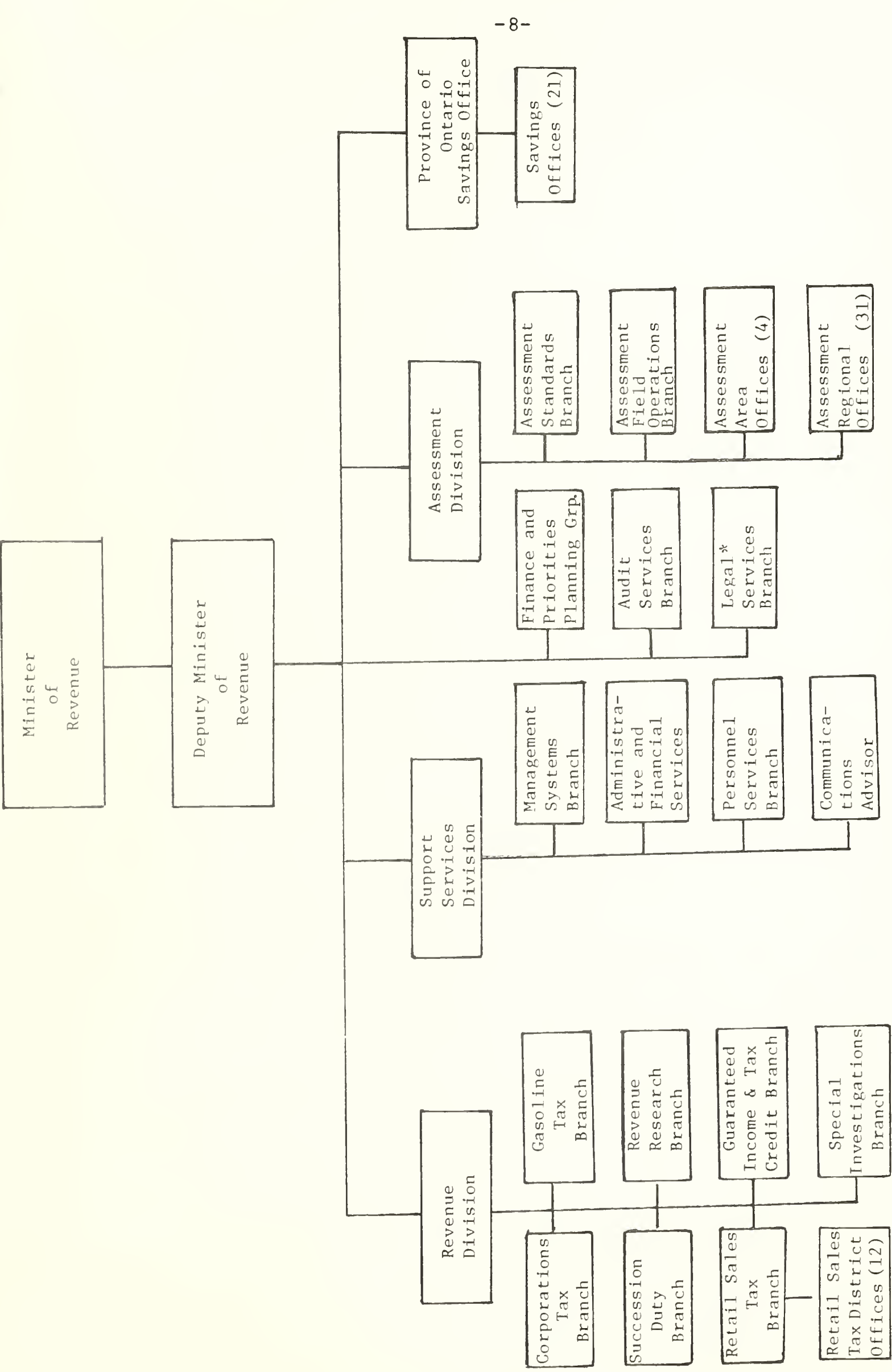
II. THE ASSESSMENT DIVISION

A. Ministry's Organizational Structure

The Ministry of Revenue is one of over 20 Ministries in the Ontario Public Service, each of which comes under the authority of a Cabinet Minister.

The senior civil servant in a Ministry is called the Deputy Minister. Below him, the ministry is divided into Divisions each performing a separate and distinct function. There are four Divisions within the Ministry of Revenue. They are the Revenue Division, the Support Services Division, the Assessment Division and the Province of Ontario Savings Office. These Divisions in turn are comprised of several Branches all performing related activities.

Below is a structural chart showing an overview of the basic organization reporting to the Minister of Revenue.



* Provided by the Ministry of the Attorney-General

B. The Assessment Hierarchy

A Division, as defined by Management Board, is a group of branches performing related functions reporting to an Executive Director.

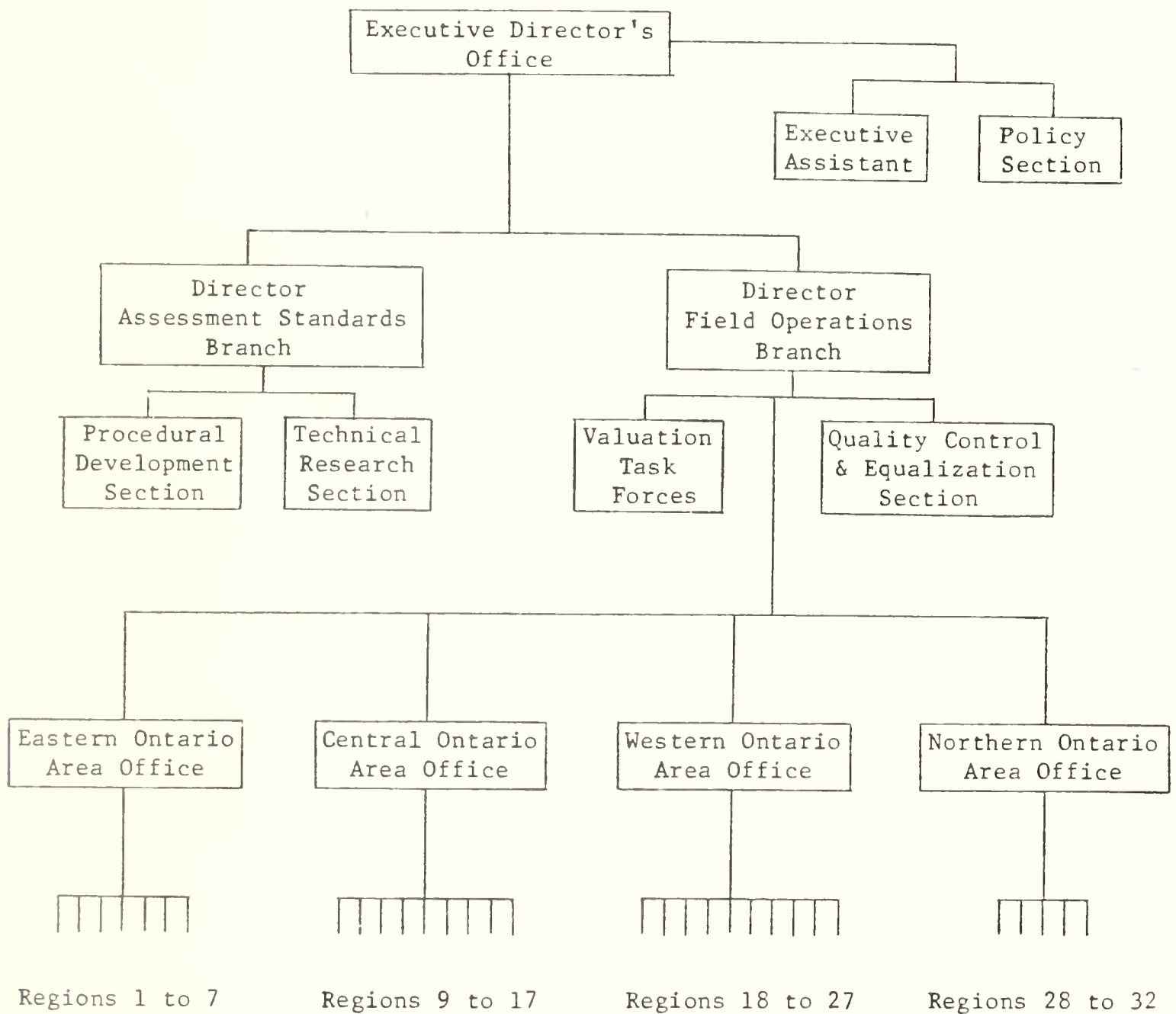
The assessment programme demands a total team approach to the resolution of problems and to the provision of services. Because assessment is carried out on a widely decentralized basis, the traditional horizontal, compartmentalized organizational structure would have been inadequate. Hence the Division reports to an Executive Director, who is assisted by his own staff of executive officers. In addition, there is a Policy Section which reports directly to him and advises on Divisional Policy, Legislation etc.

The prime responsibility of the Assessment Division is the equitable valuation of all real property in Ontario. With the increasing weight of taxes, this valuation is vitally important to every member of the community. Inequitable assessments result in an inequitable tax base and subsequent inequity for the individual taxpayer in relation to his fellow taxpayers in the community.

Besides the valuation of every property, assessment involves the discovery of properties for the initial assessment, the subsequent determination of the properties which are liable for business assessment and the applicable business tax rate, and the properties that are exempt from taxation.

Enumeration is also an important responsibility of each assessment region and involves an annual visit to all structures on every property for the collection of data related to its occupants.

In order to approach a task which is vitally important to every member of the community, it is imperative that the Assessment Division organize itself towards this end. The following chart indicates the organizational structure of the Assessment Division.

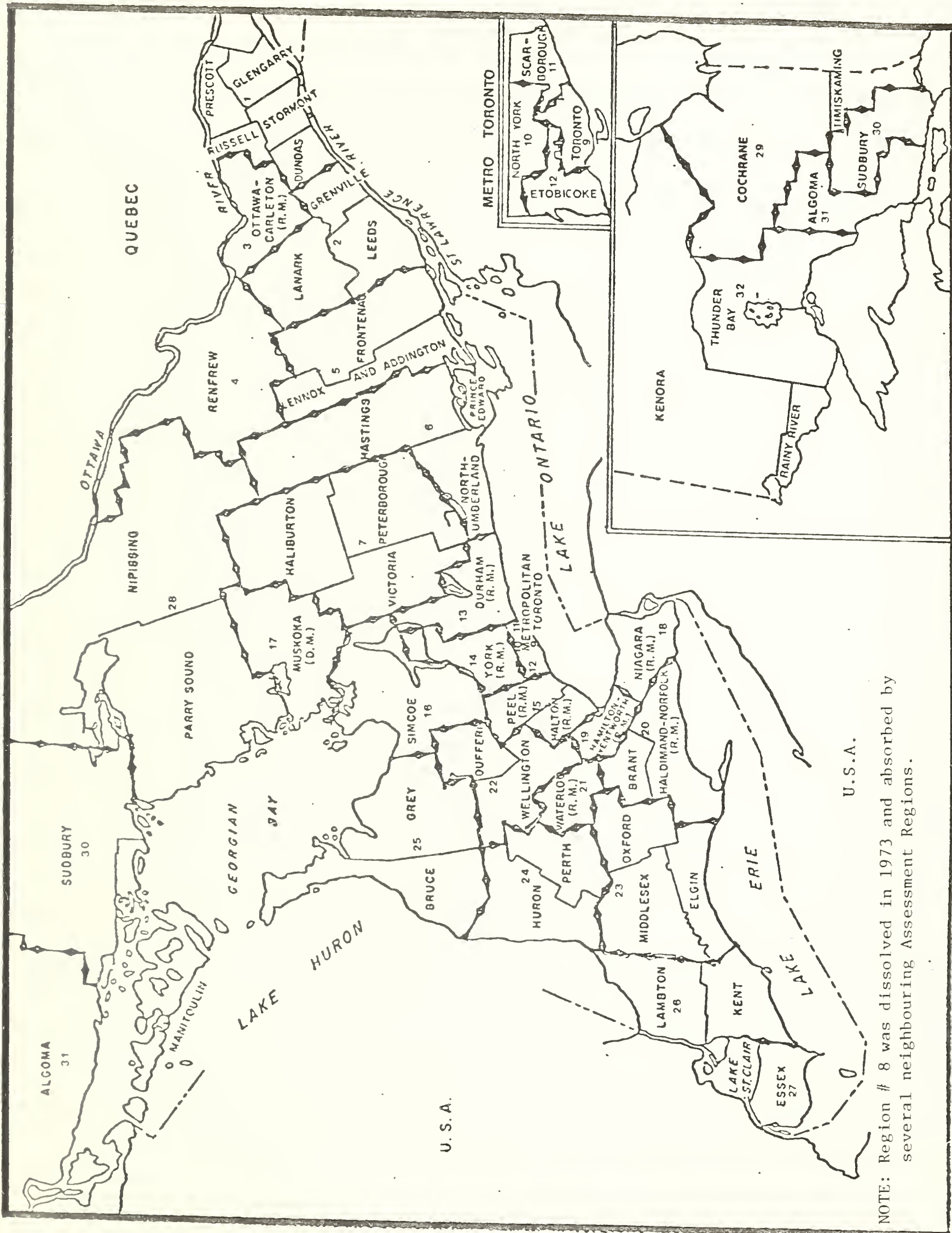


31 Regional Assessment Offices

NOTE: Region # 8 was dissolved in 1973 and absorbed by several neighbouring Assessment Regions.

Below the Executive Director, the Division is split into 2 Branches, each headed by a Director. One is the Assessment Standards Branch whose primary responsibilities lie in the areas of research, technical development and training. The other is the Field Operations Branch, responsible for the implementation of the Division's policy through its 31 regional assessment offices located across the province. The Quality Control and Equalization Section which uses statistical techniques to measure the relationships of assessment to current market prices reports to the Director of the Field Operations. Several Valuation Task Forces operate from this branch and provide technical expertise for problem areas in the Province.

The following map illustrates the assessment boundaries of each regional office:



NOTE: Region # 8 was dissolved in 1973 and absorbed by several neighbouring Assessment Regions.

C. The Assessment Standards Branch

The Assessment Standards Branch is responsible for the basic research and analysis required to develop new assessment methods, including the factors which determine the value of property, and the development and testing of new techniques and methodology. Much of the improvement in the assessment function may ultimately originate through the work of this branch. To carry out this responsibility, two sections have been established - the Procedural Development Section and the Technical Research Section.

1. The Procedural Development Section concentrates on developing new assessment valuation and support techniques utilizing data processing systems. Through detailed statistical analysis, this Section studies the real estate markets, and attempts to isolate significant factors that affect market value.

This Section also investigates construction costs and is responsible for the development of cost factors and the update of the Assessment Valuation Manual used by field assessors.

The Assessment Administration Courses at the Colleges of Applied Arts and Technology are coordinated by this Section. Course development and guest lecturing are examples of this role.

An instructional staff is maintained by this Section to provide an In-Service Training Programme for the benefit of all new employees hired as property assessors. It is a correspondence course accompanied by seminars and its objective is to familiarize new assessors in valuation techniques and legal principles of assessment.

The Section also conducts the course you are currently involved in. The purpose of the Principles of Assessment Mapping course is to provide, mainly to mapping personnel, relevant

assessment information with special emphasis on the more specialized functions of a mapping section, since most of this information is not generally available from outside sources. The topics reviewed include a description of the assessment and taxation process, basic surveying techniques and trigonometry, township survey systems, aerial photography, geocoding, real property law, land registry systems and basic office administration.

This section also liaises between the Succession Duty Branch and the 31 Regional Assessment Offices in the administration of the Land Transfer and Land Speculation Tax Act, Gift Tax Act and Succession Duty Act.

2. The Technical Research section is concerned with developing standard operational procedures, mapping standards, case law, publication of an assessment journal and the mathematics of income property capitalization, etc. Research in computerized assessment methods are also being actively investigated.

a) Aspects is a quarterly journal which contains articles written mainly by assessors and those experienced in the assessment field. It is aimed at developing greater communication within the Division by encouraging discussion of assessment techniques, divisional policies, assessment law and other related topics. Articles dealing with mapping functions and procedures have appeared in several issues of the journal.

b) The Assessment Case Digest and A guide to the Assessment Act - It is an information service provided to all personnel within the Assessment Division. As new legal decisions are handed down, copies are sent to the Technical Research Section from the 31 regional offices. These decisions are indexed and distributed to all regional offices on a continuing basis.

Its purpose is to inform all assessors on assessment case law and any changes thereto. More specifically, it is a research document for court appeals. Since the neighbourhood assessor will be responsible for his/her own appeals, knowing how to prepare effective courtroom presentations will become an essential part of the job.

Originally the Digest involved indexing all cases and sending detailed summaries of all important decisions to regional offices.

In 1975 a major addition was made to the system through the issuance of the publication A Guide to the Assessment Act. This was an attempt to encourage each individual assessor to become more familiar with both The Assessment Act and assessment law.

A copy of the Guide has been provided to each assessor and each year the information is updated to reflect changes in legislation and new case law as it evolves.

In 1977, two major changes were made to the system. First, instead of sending out summaries of all significant decisions, the full case texts is now being sent to each regional office. Second the indexing system was computerized to expand the capabilities and potential of the system. Every six months, these indices are updated, printed and sent to all Regional Offices.

c) The Neighbourhood Study - June 15, 1977 marked the most significant change in regional office organization since the Provincial takeover. On this date assessors became neighbourhood

assessors i.e. assessors were assigned the responsibility of assessing and maintaining the records of all properties within given geographical neighbourhoods.

The preparatory studies and work for this change was done by a Study Group from this Section. Now that neighbourhood assessment is a reality, the Group's work will primarily consist of monitoring its effectiveness. A more detailed discussion on the Neighbourhood Study appears as an Addendum at the end of this book.

D. Field Operations Branch

1. Head Office Staff

The Director, Field Operations and his support staff are resident at head office. They are responsible for the inspection and audit of regional operations to ensure that established standards and acceptable methodology are being used for the valuation of property. The Director and his staff are the means of communicating policy from head office to the operating level in the regions and for advising senior management of various problems that are developing, not only in the staffing field but in the techniques and methodology of carrying out the assessment function.

2. Assessment Area Offices

There are four Area Administrators and each is responsible for the regional offices within his geographic area. For the sake of convenience the Area Administrators offices are located at head office. The Area Administrators report directly to the Director of Field Operations. Mention should be made here of the Area Co-ordinator's Office which is located in each of the four

geographic areas. These should not be confused with the Area Administrators' offices. The four area co-ordinators are responsible essentially for the smooth functioning of the Standard Assessment System (SAS) for their respective region.

3. The Regional Assessment Office.

The region is the operating level for the assessment function. It is here that properties are discovered, inspected and the valuations made, the roll prepared and enumeration conducted. As the senior representative of the Assessment Division in his region, the Assessment Commissioner is responsible for the day-to-day operations and for ensuring that overall objectives are met. He establishes operating plans and budgetary estimates, rates of production to be achieved, and evaluates results in terms of these operating plans. He is responsible for every aspect concerning the assessment of all real property within his jurisdiction and for the smooth operation of the support services section. Also, he is responsible for the financial and personnel aspects of his office and for the quality of the valuation made by his staff. He must be prepared to defend these in the Assessment Review Court and before other judicial and quasi-judicial bodies.

The Commissioner has many contacts with both municipal civil servants and municipal elected officers concerning assessment. He must handle difficult situations and maintain the good name of the Ministry.

The Assessment Commissioner is assisted by Valuation Managers, each responsible for a geographic area comprising of several assessment neighbourhoods. The Valuation Managers supervise the neighbourhood assessors working within their geographic unit and assume responsibility for their work.

The neighbourhood assessor in the regional organization works under the direction of one of the geographic valuation

managers, but has regular contacts with the assessment services manager and the office manager regarding maps, records and routine office procedures. He must ensure that all his properties are thoroughly inspected, and building characteristics and land features recorded. If necessary, he may discuss trends and market conditions with investors, realtors, contractors and developers etc.

After assembling and analyzing all pertinent information, assisted where necessary by Assessment Services Section, he must estimate the market value of each property, that is, 'the amount that the land might be expected to realize if sold in the open market by a willing seller to a willing buyer'. (The Assessment Act s 27(2)) His estimates are subject to general review by his manager, but each assessor is responsible for the accuracy of his own assessments.

The Office Manager is responsible for the administrative and financial details - personnel records, accounts, stationery, stenographic services, etc.

The actual inspection and valuation of properties is only one aspect of the assessment process. An assessment office is a large information gathering operation, with data on sale prices and trends, zoning, new construction projects, municipal service areas, electoral boundaries, population movements, etc., flowing in constantly. In addition to the actual valuation of property, the assessment office is responsible for the annual enumeration; enumerators, hired on a casual basis, visitation of every residential property for purposes of recording information on the inhabitants - name, year of birth, sex, marital status, occupancy status, citizenship, school support, religion etc. This information is then used to prepare the Voters' List and

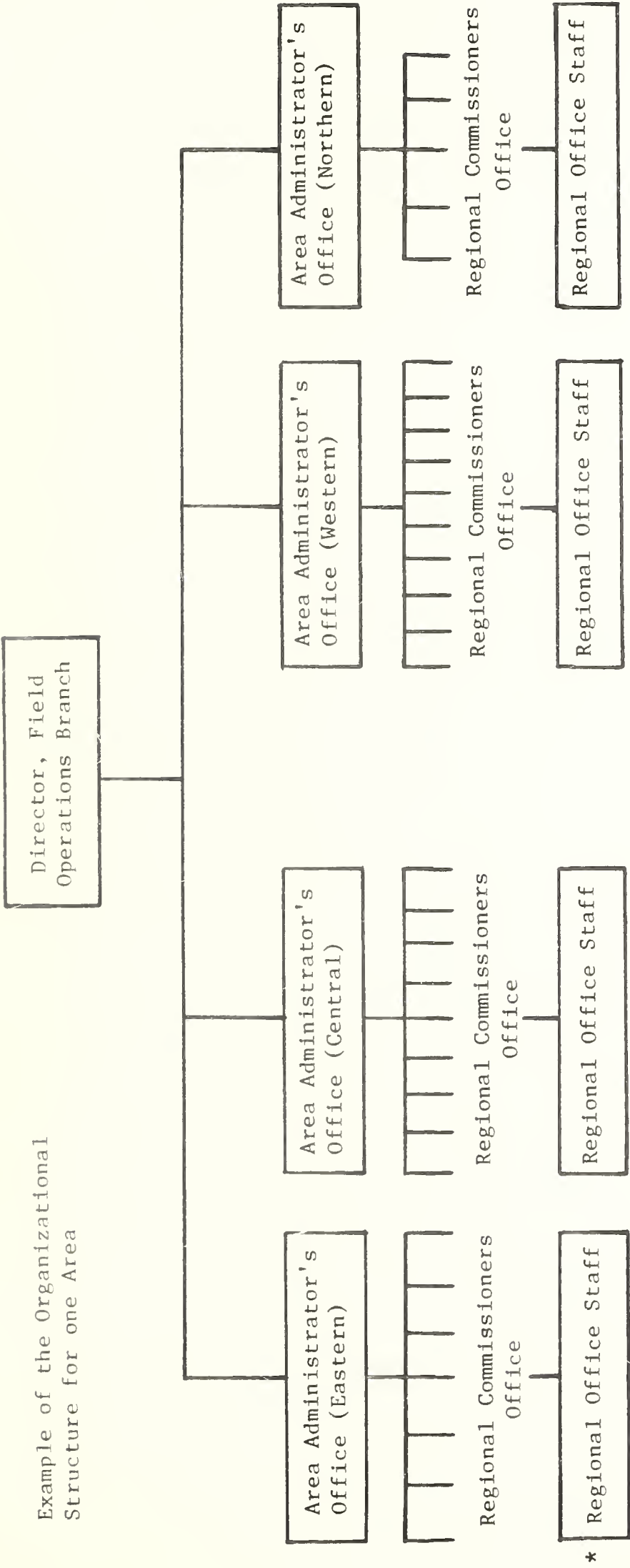
the Jurors' List, to direct tax revenues to the Public or Separate Schools, and to provide data for the municipal planning agencies.

All these supporting and auxiliary operations are distinct and separate from the actual valuation function, and comes under the responsibility of the Manager of Assessment Services, who is aided by an Assistant to the Services Manager, Assessment Supervisor, clerks, key-punch operators, draftsmen and part-time enumerators.

This back-up organization is an essential part of the assessment process. It has been described as 'the beginning and the end' of the operation, in that the preliminary data collection and assembly, and the final processing of the Assessment Roll are performed by this section of the organization.

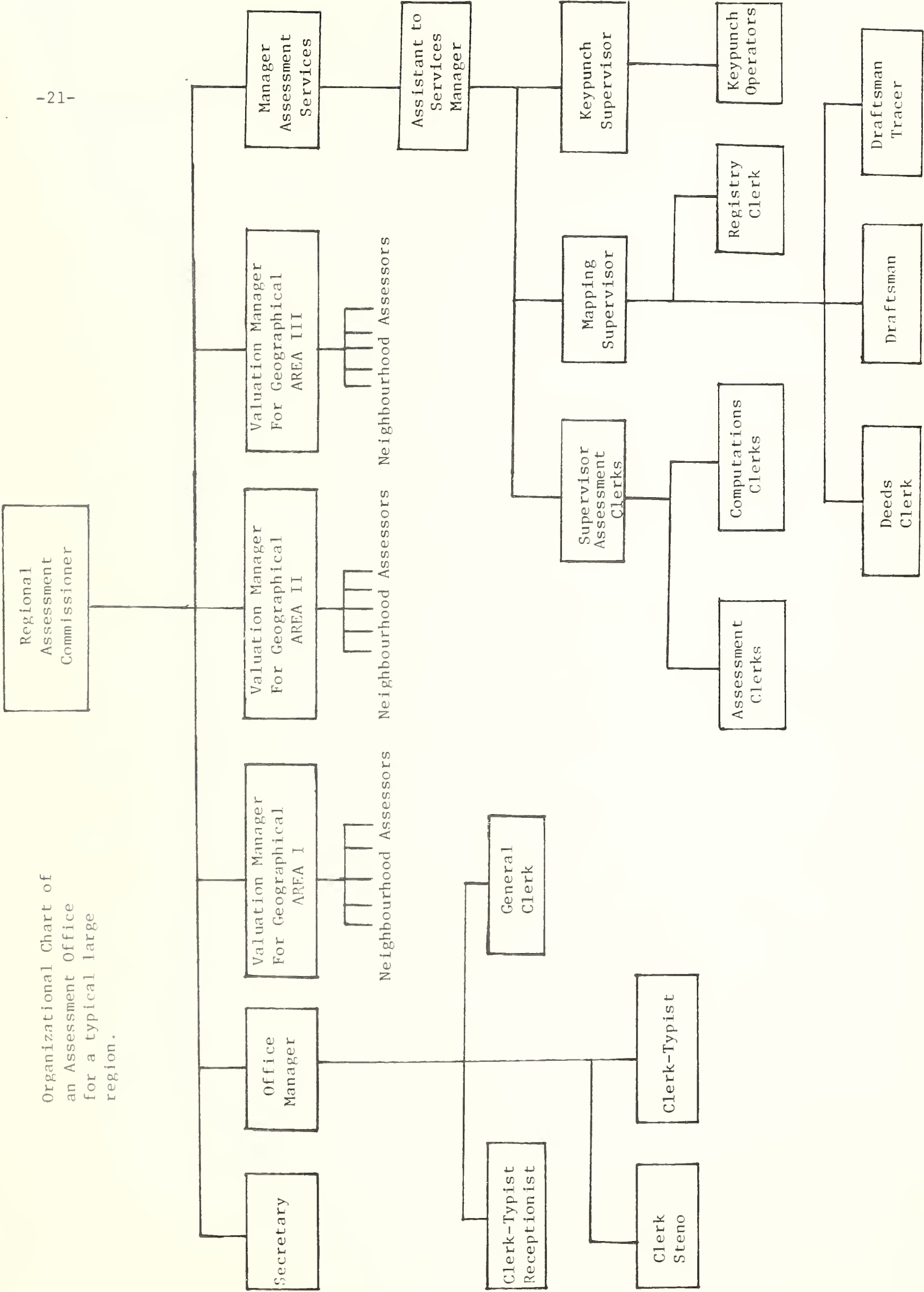
Once all the assessors have submitted their valuations to their respective managers, the Assessment Services Section takes over and enters all the assessments in the electronic data processing system (SAS), adding enumeration information collected by the enumerators, and produces the computerized Assessment Roll, and the Notices of Assessment for assessed persons. The Assessment Roll is turned over to the Clerk of the Municipality and the Notices are mailed out. Inevitably, there are complaints against the assessments, and these are recorded and scheduled for hearing before an Assessment Tribunal or before a Court of law.

The first of the two following charts illustrates the administrative organization for any one of the four areas; and the other illustrates a typical organizational structure for a large region. The personnel structure varies from region to region. In a smaller region, certain positions, such as the key-punch supervisor, are eliminated.



* For detailed illustration of a regional office, please see next page.

Organizational Chart of
an Assessment Office
for a typical large
region.



E. Assessment Courts

Each assessor must be prepared to justify all of his assessments and to explain how he arrived at his estimate of value. The possibility of any assessment being challenged in court, means that a very high degree of care and accuracy must be maintained in all work.

The value of accurate, comprehensive maps at these hearings cannot be over-emphasized, and if there is anywhere that the assessor wants a good image it is here! A set of good maps, illustrating correct dimensions, sale prices and assessed values, provides the most valuable presentation the assessor can make.

The grounds on which a citizen may challenge an assessment can be considered under two headings: Questions of Law and Questions of Fact. The latter is the more common, and embraces such complaints as: property assessed too high; other properties assessed too low; owner's name in error, school support to be changed; size of property incorrect; etc.

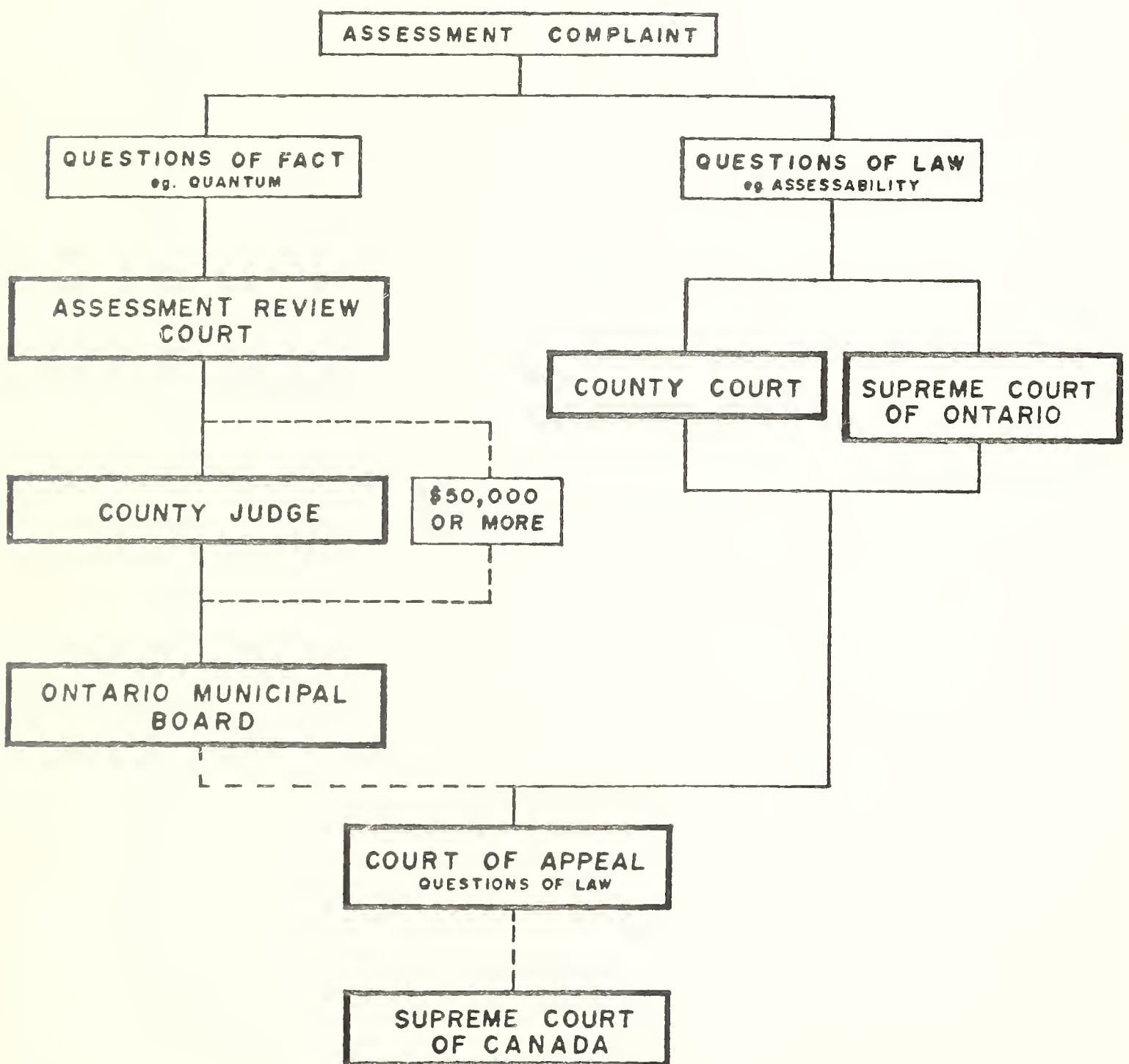
These 'questions of fact' are heard and dealt with by Assessment Tribunals established under the Assessment Act. (s 52)

'Questions of law' are concerned with disputes over the proper interpretation of the statutes and consist of such questions as: is the property in question properly assessable as real property? should it be exempt from taxation? is a commercial property classified under the correct business assessment? etc. In other words, is the assessor's interpretation of the Act the same as that intended by the Legislature?

'Questions of law', involving a dispute over the legality of the assessor's actions, can only be settled by a court of law, that is, a formal provincial court, presided over by a judge.

The various bodies that the assessor may have to appear before are illustrated in the following chart:

Assessment Appeal Procedure



'Questions of fact' proceed initially to the Assessment Review Court, which is established under the Assessment Act for the sole purpose of reviewing assessments. The chairman is located in Toronto, and members of the court conduct hearings in all parts of the province to resolve disputes. It is not a formal court, but consists of one to three persons designated by the Province. The decision of this court may be appealed by either party to the county judge, who has the power to re-examine and possibly alter the decision of the Assessment Review Court, if he sees fit.

In this instance, however, the county judge is not acting in his normal capacity as a judge of a court of law. He is performing a function under the Assessment Act, that is, he is in the role of an appointee to an Assessment Tribunal. The county judge is a logical choice for this role since he is presumably well informed on such matters and is educated and unbiased, etc., by virtue of his being a judge of law. However, in this capacity, he is only a statutory appointee, known in legal terms as a 'Persona Designata', performing a secondary task quite separate from his regular profession.

His decision may be appealed further to the Ontario Municipal Board. It is also possible, if either the assessment under dispute is \$50,000 or more, or the difference under appeal is \$50,000 or greater to by-pass the county judge and appeal directly from the Assessment Review Court to the Ontario Municipal Board.

The Ontario Municipal Board is an administrative tribunal established by the Ontario Government, under the Ontario Municipal Board Act. It is not a department of the Government, but it exercises provincial control over many of the functions of the Municipal Corporations.

Municipalities were created by the Province, and given a fairly high degree of autonomy and independence, but it is still desirable for the provincial government to maintain some control over the operations of these smaller units of government.

The O.M.B. is entrusted with a wide range of responsibilities regarding municipalities. It controls annexations, amalgamations, changes in status (eg. from a town to a city), boundary revisions, or even possible dissolution of a Municipal Corporation. In addition, all major expenditures involving capital debt must be approved by the O.M.B. This gives it potential financial control over all municipal corporations, and since anything that a government does costs money, this means ultimate control over any significant action of the municipalities. The O.M.B. has many powers under the Planning Act, and must approve planning by-laws, official plans and appeals over minor variances, plans of subdivision, and proposals for redevelopment. The Board also acts as an arbitrator in expropriation disputes and has the power to determine compensation or damages. In this respect, its function is quasi-judicial and it follows strict court procedure.

Finally, it acts as the final level of appeal on assessment disputes involving 'questions of fact'. Once again, its operations in this regard are of a judicial nature, and involve public hearings. However, assessment appeals are only a minor part of the Ontario Municipal Board's operation.

'Questions of law' can only be resolved by the County or Supreme Court of Ontario, with a right of appeal to the Court of Appeal, the Appellate Division of the Supreme Court of Ontario. Since 'questions of law' may arise during a dispute over a 'question of fact' (such as the right of that court to decide the question), there is also a provision for an appeal from the

decision of the Ontario Municipal Board to the Court of Appeal. Under certain circumstances, a further appeal to the Supreme Court of Canada may be possible.

III. THE DRAFTSMAN'S RESPONSIBILITY

The purpose of an assessment map is to provide the assessor with the information he needs to appraise the land. This information must be obtained from many different sources. The draftsman's responsibility is to assemble all available data, determine what is relevant, resolve discrepancies and portray the information that the assessor requires as clearly, accurately and fully as possible.

Drafting

It has been said that the basic function of a drafting department is not to make drawings, but to provide information! All drawings are, in reality, a combination of words and lines intended to convey information as clearly and simply as possible.

How a drawing is prepared depends on who will use it, for what purpose it will be used and the ability of the user to understand the information it contains. A draftsman must always keep the user in mind and must make sure that all the information needed is presented in such a way that it is adequate without being redundant.

Too many draftsmen labour under the mistaken impression that the more detail they add the better the drawing. They are not sufficiently aware of a drawing's purpose to recognize that it should be kept as simple as possible. Many who do recognize this principle err the other way by not knowing how much information a drawing must present to be adequate for its purpose. Keeping it simple in fact means as much as necessary and not as little as possible!

Every member of the drafting operation should remember that the information included in the drawing dictates the cost of the overall project. That cost must be kept to a minimum, consistent with desired quality and efficiency. A good draftsman will continuously strive to reduce the time spent by those using the drawing by making details explicit and to reduce his own time in physically producing the drawing by making full use of mechanical devices and short cuts.

Mapping

A map is a picture of the land, showing only features that are of interest to those for whom the map is intended.

A road map, for example, will show only usable roads, types of surfaces, towns, and villages, and perhaps, prominent land marks. General features of no interest to a motorist will be ignored. To this basic pattern will be added such items as mileages, historical monuments, campsites, etc. Abstract features, such as political boundaries would complete the picture.

Some maps will illustrate only such abstract information if this is the purpose for which they are intended. Most national maps are of this nature - they illustrate national boundaries, provincial or state boundaries, or even county or city limits, superimposed on a general outline of the country. In this type of map, we are approaching a purely artificial creation - we are drawing pictures of invisible features that exist only in men's minds.

There are also maps of invisible physical features - maps of mineral deposits, air pressures, magnetic declinations, soil types, etc., which show pictures of physical properties that we can never see.

-29-

Our assessment maps must be as streamlined, standardized and efficient as possible, from both the user's and the draftsman's point of view. Fifteen minutes saved in the preparation of each map could save a full week for one township and, perhaps, two or three months for the region - possibly the difference, for the assessors, between having the maps this season or next!

The importance of accurate, comprehensive and up-to-date maps in an assessment programme cannot be over-emphasized. The assessor is required to locate, identify and appraise every parcel of land in his/her neighbourhood. Without a map, he will not only have difficulty finding all the properties, he will also have no way of determining if any land has been missed. Even when he finds the property, it is frequently impossible to determine the boundaries, dimensions or area of the parcel. Without maps, land valuation is simply impossible. When we are appraising land at its market value, we must know the exact location and dimensions, and, depending on the type of property, such factors as terrain, creeks or lake frontage, soil type, etc. For most properties, this means an accurate map.

It must always be borne in mind that the assessor will accept the map without question - he will have neither the time nor the opportunity to verify the information, so that an error can have serious and far-reaching effects. If there are any inconsistencies in the information obtained by the draftsman it is much better for him to take the time to resolve them, than to expect the assessor to straighten things out later. The draftsman is assuming sole responsibility for the map, and it will be his contribution for years!

Although the only intended user of the assessment map is the assessor, it should be remembered that this type of map is not normally available from any other source, and there are

many potential users, ranging from planning boards, police and fire services, and engineering departments to realtors, newspaper distributors and political campaigners, so the public relations aspect must not be overlooked.

A neat, accurate map can help to produce a favourable image of the Division and indeed the Ministry among other government bodies and the public in general. It provides a service of direct benefit to individuals, and a reliable and professional looking map creates an impression among the users of a reliable and professional organization!

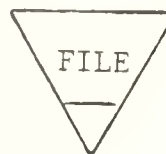
The maps can become not only a 'picture of the land' but a 'picture of the Ministry', promoting awareness of the Assessment Division.

The Mapping Operation At A Glance

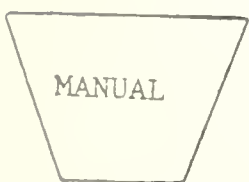
On the following page you will see a flow chart of a typical mapping operation. Read the explanation of the symbols found below with the comments on the chart and there should not be any problem with the chart.



- here decisions are made, for example, which areas are to be mapped first.



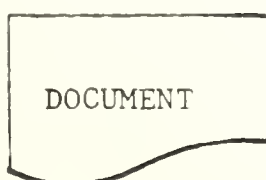
- this indicates a file or index system.



- this identifies a manual operation, such as drawing maps



- the connector indicates exit to or entry from another part of the chart.



- this shows that a document is used or produced, e.g. maps, deeds, or ADS.

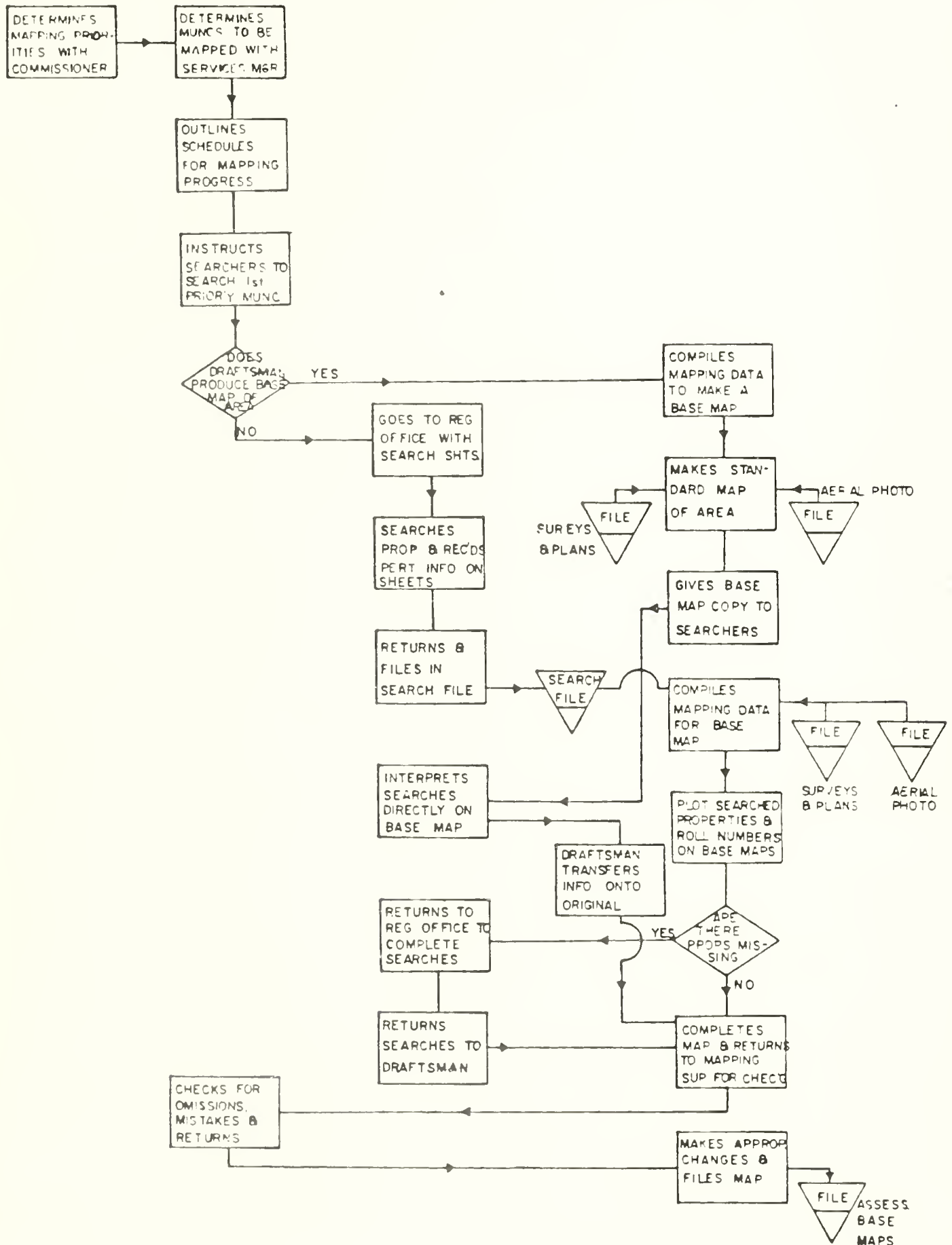
BASIC MAPPING PROCEDURE

SERVICES MGR.

MAPPING SUPER

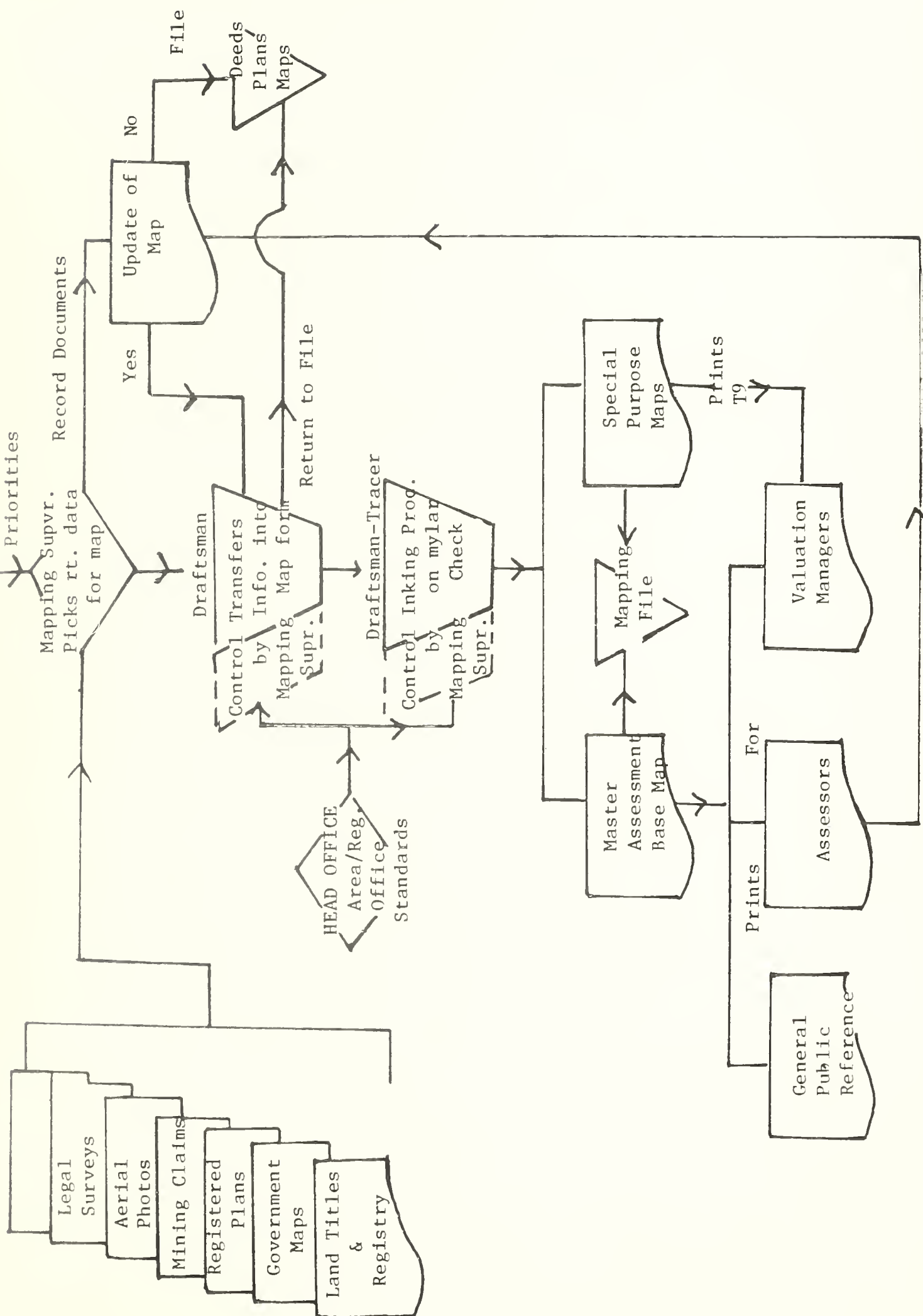
TITLE SEARCHERS

DRAFTSMAN



Commissioner
Services Mgr

Source Data



Update Info. via Appraisal Cards

Principles of
A S S E S S M E N T M A P P I N G

Addendum

NEIGHBOURHOOD ASSESSMENT

NEIGHBOURHOOD ASSESSMENT

Now that the Division is committed to the neighbourhood assessment concept it will be useful to describe the duties and responsibilities of the major participants.

A. The Geographic Area Manager

The Geographic Area Manager will be responsible for motivating, co-ordinating, planning and organizing the activities of a varying number of neighbourhood assessors to ensure that market value reassessments are placed on all properties in the geographic area every two years. Ultimately, the Geographic Area Manager will be responsible for values placed on the Assessment Roll for properties in his geographic area. Furthermore, he must ensure that each neighbourhood assessor is capable of performing his duties quickly and accurately; in doing so, he must provide all inexperienced assessors with the necessary training and assistance with valuation, court work and data entry functions.

The Geographic Area Manager will require specific knowledge and skills to carry out his assigned responsibilities. He should have a thorough knowledge of all real property valuation theories and techniques. He must be aware of all advances in assessment and valuation methodology. He must demonstrate an ability to co-ordinate and maintain information flows. He should be conversant with methods of management, particularly those of motivation, communication and control.

These responsibilities will require that the Geographic Area Manager carry out the following functions: valuation, administration and communication.

(1) Valuation Functions

His valuation duties will require that he act as a team leader of a group of neighbourhood assessors in a geographic area to co-ordinate the analysis of sales, leases and income/expense statements to create analytical neighbourhoods, property groups, gross income multipliers, capitalization rates. He must ensure the provision of sufficient data (sales, leases, income/expense statements). If this is not available in his own geographic area, he must obtain data from other geographic areas. He must also provide other resource materials necessary to perform his valuation functions.

He will assist in all phases of the valuation process for all properties and types in the geographic area by co-ordinating activities in terms of the goals and standards of the Regional Office and the Division.

He will maintain assessment values at a uniform and consistent level by performing quality control checks and by reviewing the appraisal reports prepared by each neighbourhood assessor in the geographic area. As part of his function of motivation and co-ordination he will meet regularly with each assessor to discuss valuations made during that period and to resolve any problems at that time. He will meet with other geographic managers on a regular basis to review the quality of assessments on a region wide basis.

He will provide assistance in any court appeal as required.

(2) Administrative Functions

The administrative functions will involve him in the dissemination of sales, building permits or lists, 636a applications, appeals, correspondence and inquiries to the appropriate neighbourhood assessor as they are received from any source. He will ensure that each assessor in the geographic area will receive all data and information necessary for him to complete his work quickly and accurately.

He will analyze production to determine how effectively individual deadlines are being met and how productivity can be improved. He will ensure that neighbourhood assessors meet all divisional, legislative data processing requirements and deadlines. He will monitor the activity and workload of each neighbourhood assessor to determine if changes are required in neighbourhood boundaries or their number. He will recommend changes to the Regional Commissioner.

He will work closely with the Services Manager, to co-ordinate all clerical, E.D.P. and mapping functions with valuation needs and schedules.

He will be responsible for assuming the management and valuations of a neighbourhood if a neighbourhood assessor becomes ill (long term) or if the position becomes vacant, until a replacement is found. He will be responsible for designing the workload of the Senior Neighbourhood Assessor such that the Senior Assessor is able to carry out special valuation and training functions.

He will be responsible for maintaining an awareness of all advances in valuation and assessment technology. He will be responsible for maintaining an awareness of all policy changes and their effect on valuation methodologies and procedures. He will determine with the Senior Neighbourhood Assessor the training needs of the neighbourhood assessors in the geographic area. He will assign special study tasks as required in conjunction with the Senior Neighbourhood Assessor.

He will report directly to the Commissioner on matters of valuation for his geographic area (written reports, valuation file listings, quality control analysis). He will take part in the overall planning activities for the region.

He will deal with discipline problems for neighbourhood assessors in the geographic area. He will evaluate overall staff performance and quality of work for the Commissioner by completing the Employee Performance Appraisal Reports for each neighbourhood assessor in the geographic area. He will recommend merit increases.

(3) Communication Functions

The communication functions for which the geographic area manager is responsible will include transmitting all policy, directive and legislative changes to neighbourhood assessors in the geographic area. He will maintain a good rapport with outside groups such as the public, local municipal officials, regional officials, lawyers, tax agents, real estate personnel and others.

B. The Senior Neighbourhood Assessor

The Senior Neighbourhood Assessor will be responsible for the valuation activities associated with a neighbourhood or as a special assistant to a manager, producing reassessments at market value every two years for all properties in a neighbourhood, special valuation assignments through the region, and training and advising assessors in the three approaches to value.

To carry out the functions assigned to the Senior Neighbourhood Assessor, the assessor must have the following skills and knowledge. He should have extensive training and background in all appraisal techniques, with particular experience in the valuation of unique, complex or otherwise special properties. He should also understand the usefulness of computers and possess statistical knowledge. He must be aware of all advances and developments in valuation methods. He must be able to communicate his expertise in valuation techniques to staff for training purposes. He must be able to effectively design and co-ordinate research projects. He must be aware of all policies and directives plus normal legislative requirements regarding the assessment of properties. He must be able to interpret deeds, income/expense statements, maps, registered plans, legal property descriptions, etc. He must understand coding techniques so that he is able to make the necessary changes to documents when required.

The Senior Neighbourhood Assessor's functions differ from the Neighbourhood Assessor's only in the areas of administration, special assignments and training. All the other functions are as described in the Neighbourhood Assessor section.

(1) Administrative Functions

In carrying out the administrative functions the Senior Neighbourhood Assessor will be expected to report to the Geographic Manager on matters such as training or educational requirements of staff and any problems of a technical nature. He will provide advice to assessors on all matters such as: valuation, effect of zoning changes on land value, tax apportionments for complex properties, succession duties, court preparation, public hearings with outside agents, and any other activity with which the assessor may require assistance.

(2) Training Functions

This function will require that the Senior Neighbourhood Assessor provide training to employees in all facets of the three approaches to value. He will organize and prepare seminars for the purposes of training. He will actively maintain relationships

with all educational institutions with interests in assessment technology or valuation. He will be responsible for being aware of all advances in valuation technology.

C. The Neighbourhood Assessor

The Neighbourhood Assessor will perform the valuation activities associated with a neighbourhood of approximately 2,500 properties and will provide reassessments every two years at market value for all properties in that neighbourhood.

In order to perform all the functions assigned to the neighbourhood assessor, the assessor will require the following skills and knowledge. He should be able to apply the three valuation approaches for all properties within his jurisdiction. He must be aware of all policies and directives plus normal legislative requirements regarding the assessment of properties in his neighbourhood. He should be able to interpret deeds, income/expense statements, maps, registered plans and legal property descriptions. He should be trained in coding so that he is able to make the necessary changes to document for computer input.

To this end he will be responsible for the following functions: data collection, maintenance, administration, communication and valuation.

(1) Data Collection Functions

In carrying out the data collection functions he will acquire and maintain a record of sales, leases, income and expense statements, for all properties in the neighbourhood. He will investigate other sources of market data such as MLS listings, newspapers. To collect changed property and structural data, he will reinspect the interior of all properties in the neighbourhood every two years. He will inspect properties for structural change. He will investigate properties requiring tax audits and succession duty valuations.

(2) Maintenance Functions

The maintenance functions will entail ensuring that all data collected is accurately entered and coded onto the appropriate documents.

This will require that the Neighbourhood Assessor record sales information in his area for the purpose of analysis and updates. He will determine the nature of each transaction, i.e. whether it is a simple or complex transfer. He will code each sale as to its

suitability for sales analysis purposes. He will enter ownership changes on to the A.D.S. He will enter the relevant sales data on the V.D.S. He will apportion the property value and amend the necessary A.D.S., appraisal cards and V.D.S.'s (for splits only).

Supplementary assessments will require that the Neighbourhood Assessor record any improvements to all existing properties within his jurisdiction. He will obtain building permits and interpret the progress, nature of improvement, etc. He will prepare any field documents, A.D.S., drawings, for use during the inspection. He will visit each property and record details of construction and collect occupant data. He will determine and value increments. He will update A.D.S. and the V.D.S. He will review Supplementary Notices before they are forwarded to the owner.

Tax Adjustments 636a's will require that each Neighbourhood Assessor record and investigate demolitions and business tax adjustments. Each Neighbourhood Assessor will be required to visit the property, verify the change and record the details of any new occupant.

Appeals will require that the Neighbourhood Assessor update records which change as a result of decisions from the Assessment Review Court or higher courts.

He will apportion values for multi-occupancy properties for school support, voting privileges, business assessment purposes.

Finally, he will ensure that all original documents, i.e. deeds, building permits, appeals 636a applications, income/expense statements, etc., are filed in the appropriate file.

(3) Administrative Functions

The Neighbourhood Assessor will be responsible for establishing his own workload plan and daily schedule within the terms of the general regional office schedule. He must also demonstrate his ability to adhere to it.

He will be responsible for supervising the activities of enumerators in his neighbourhood during the enumeration period. He must also verify and edit their work including the duplicate lists.

(4) Communication Functions

In carrying out the communication function expected of the Neighbourhood Assessor, the assessor will participate in open houses and discuss assessments made in his neighbourhood with ratepayers. He will meet with Council members, town clerks, as required to explain market value assessments. He will respond to enquiries regarding property details made by the public, municipal officials, tax agents and others.

(5) Valuation Functions

In fulfilling his responsibility of placing values on all properties in the neighbourhood, he will use at least one of the recognized valuation methods, the comparative sales, cost, or income approach.

In using the comparative sales approach he will first verify each sale and establish its validity for analysis purposes. He will establish a time period for which the sales are to be used and make any time adjustments where necessary. He will define all homogeneous groupings of properties within the property type. One of these groups will be first sales. For improved properties, he will divide sold properties into groups based on age arranged in order of floor area. For each grouping, he will plot floor area vs. sale price and establish formulae for appropriate property groups. For unimproved properties, he will divide sold properties into groups according to lot size. For each grouping, he will plot lot size vs. sale price and establish formulae for appropriate groupings. Using formulae he will calculate preliminary assessments for sold properties, and evaluate the quality achieved. He will perform a site review of valued sales to ensure the accuracy of the data and the appropriateness of the values. Using the same formulae, he will calculate preliminary assessments for unsold properties. He will revisit neighbourhoods and make any final adjustments before finalizing values for the Assessment Roll.

In using the cost approach to value his properties, he will classify and rate the property in accordance with the prescribed procedures set out in the Handbook of Cost Factors. He will calculate the total R.C.N. for the major building component and additional structures, additives, etc. Using land values developed for unimproved property, he will determine the site value portion of the property. He will develop and apply any indicators or modifiers based on current market investigation. He will calculate the total assessments and finalize estimates of value acknowledging comparables, existing

sales or other important factors. He will perform quality control checks.

In using the income approach to value properties he will analyze leases to determine present-day or market rents. He will examine income and expense statements to establish expense ratios and vacancy rates for comparable property groups. Using current sales data he will determine the appropriate Capitalization Rates or Gross Income Multipliers for each comparable property group. He will estimate potential gross income using market rents. He will determine effective gross income by deducting appropriate vacancy rates for similar properties. He will calculate net income by applying expense ratios for comparable properties to the effective gross income. He will determine market value by dividing capitalization rates into net income or by multiplying the effective gross income by the gross income multiplier.

As part of his valuation duties he will prepare once every assessment cycle, a Neighbourhood Appraisal Report containing a description of the neighbourhood jurisdiction, sales history, lease and income data history, market influences, the results of his analysis and the evaluation of quality in terms of accuracy of estimate and equity.

He will defend the assessment of any property in his neighbourhood at any judicial level.

SUGGESTED READING

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3. Department of Municipal Affairs, Organization for PATO (Provincial Assessment Take-Over); Toronto, 1969.
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5. Manning, H.E., Assessment and Rating: Municipal Taxation in Canada; Canada Law Book Company; Toronto, 1962.
6. McKeough, W.D. Minister of Municipal Affairs; Statement, March 19, 1970.
7. McQuaid, M.J., "Assessment of Land - Implications of the Provincial Take-Over"; 1970 Special Lectures of the Upper Canada Law Society; Richard de Boo Ltd., Pg. 383-401.
8. Merritt, W.H., The Ontario Business Tax; Queen's Printer; Toronto.
9. Reform of Property Taxation in Ontario. Ontario Budget Paper E, 1976.
10. Report of the Commission on the Reform of Property Taxation in Ontario, March, 1977.
11. Report of the Ontario Committee on Taxation, 1967.
Volume I; Chapter 1: "Equity in Taxation"
 "Other Principles of Taxation"
 Chapter 7: "Taxes on Property"
 "Provincial Grants to Municipalities"
Volume II; Chapter 9: "The Effects of the Real Property Tax"
 Chapter 10: "Taxes on Property: Their History and Present Use in Ontario"
 Chapter 11: "Taxes on Property: Basic Issues and Policy Proposals"
 Chapter 13: "The Assessment Function"
 "Alternative Paths of Reform".
12. Report of the Select Committee of the Legislature of the Report of the Ontario Committee on Taxation; Taxation in Ontario: A Program for Reform; Toronto, 1968.
13. Memorandum of June 15, 1977 from Mr. P. G. Gillis on Geographic Reorganization to all personnel concerned.

ASSIGNMENT LESSON I - EDITION TEN

1. As an owner you feel that your property has been wrongly assessed as vacant land, when it should have been correctly classified as farm land. Note and explain briefly the options you have in appealing the assessment.
2. In a 2 or 3 page essay describe the main services that the Assessment Division provides for the people of this province and explain how the mapping section can enhance the quality and efficiency of these services.
3. Has the working relationship between the mapping staff and the individual assessor changed since the implementation of Neighbourhood Assessment? Would you say that the new arrangement enables the mapping section to help the assessor perform his task of assessing properties more accurately and efficiently? Give reasons.

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